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CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D.C. 20505

24 February 1975

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MICRO ONLY

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[REDACTED]

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Dear [REDACTED]

25X1A

Thank you for your letter of 7 February and the copy of the KAE report on the Petrodollar dilemma. [REDACTED] is temporarily on another assignment, and I am filling in for him.

25X1A

Because the USSR has released so little information on the fifteen year plan (1975-90), we have not yet assessed the plan. I am attaching a summary of the details that the Soviets have published on the fifteen year plan, translations of Soviet articles on the plan, and a report we prepared last year on the Soviet economy. I hope this will be of use to you.

Sincerely yours,

25X1A

[REDACTED]
Office of Economic Research

Attachments: (4)

As stated

(A (ER) 74-62, Jul 74)

MICRO ONLY

February 7, 1975

25X1A

Office of Economic Research
The Central Intelligence Agency
Washington, D.C. 20505

25X1A

Dear [REDACTED]

I have just finished reading the testimony given by Mr. William Colby, yourself and some of your colleagues before the Sub-Committee on Priority and Economy in Government on the allocation of resources in the Soviet Union and China (April 12, 1974).

Mr. Colby's prepared statement indicates that from time to time CIA economic intelligence products are made available to scholars outside the intelligence community. Some of these products are apparently unclassified, if I understand Mr. Colby rightly.

I am currently preparing a review of current basic Soviet economic trends in connection with an examination of the present status of detente between the Soviet Union and the United States. This review is being prepared for our monthly review of international affairs, [REDACTED]

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[REDACTED] My basic interest here lies in assessing the relative importance to the Soviet leadership of on the one hand the USSR's clear need for investment and technological assistance from the industrial world to develop some of its major capital projects in Siberia and elsewhere, and on the other of capitalizing on what they have diagnosed as the greatest crisis in the history of capitalism.

May I ask, therefore, whether there is any unclassified information your office might send me on current basic trends in the Soviet's economic thinking. An analysis of the fifteen-year (1975-1990) Soviet Master Plan, if same is available, would also be appreciated. I'm enclosing herewith a copy of our January issue of [REDACTED] so that you may have an idea of the kind of work we're doing. Our next issue, incidentally, will include apart from an examination of the current status of detente, a brief discussion of the justness under international law of armed

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February 7, 1975

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intervention against the oil-producing nations (we believe such intervention would be just) and a survey of the developing countries with particular emphasis on emerging trends pointing to the creation of raw materials cartels.

Thank you in advance for your kindness and consideration, I am

Yours very truly,



25X1A

Enclosures - 2

EDITORIAL OUTLINES LONG-RANGE PLANNING GOALS

Moscow PLANOVOYE KHOZYAYSTVO in Russian No 6 74 pp 3-11

[Editorial: "High Effectiveness--the Basis for Solving the Problems of the 10th Five-Year Plan and the Long-Term Plan"]

[Text] In our nation work is being carried out to prepare the basic directions for the development of the Soviet national economy over the long run to 1990 as well as the 10th Five-Year Plan. These documents in specific figures and measures express the party's socioeconomic policy over the long run, and they reflect the ways and means for the steadfast construction of the material and technical basis of communism, as well as for carrying out a broad range of measures to raise the material and cultural prosperity of the people, and for further improving socialist production relationships.

The new major stage of communist construction requires that the plans for the 10th Five-Year Plan and the long run provide high economic development rates, and envisage the ways for improving national economic proportions, comprehensive development and rational location of the productive forces, an all-round intensification and further rise in the efficiency of social production, an acceleration in the growth of labor productivity and a strengthening of the defense might of the nation. The long-range plans should be an important marker in further improving economic management, in accelerating the rate and in increasing the scale of realizing the most effective scientific and technical achievements.

The scale of the tasks and the aims, as well as the complexity of the problems in the forthcoming stage of the socioeconomic development of our nation presuppose a profound and all-round approach to elaborating the planning materials, a careful analysis of the economic growth factors, a consideration of the particular features of the period, the establishing of variants for future decisions, and foreseeing the general and particular trends and patterns in scientific-technical progress and its socioeconomic consequences. Precisely these questions were considered in the previous stage of work on preparing the preliminary proposals for the long-range period.

Extensive work has been done in this direction by the USSR ministries and departments, by the Union republics, and by the scientific research organizations. Scientific and technical forecasts have been compiled, forecasts of natural resources, as well as demographic and other forecasts. A number of preliminary reports and materials on the problems of the long-range plan up to 1990 and proposals for the draft of the basic directions for the development of the sectors and republics for the 1976-1990 period have been prepared. The State Committee of the USSR Council of Ministers for Inventions and Discoveries has tentatively determined the spheres and sectors of the national economy as well as the types of production where the use of discoveries and inventions made in recent years will bring about the greatest economic impact. Such inventions encompass many sectors of production, including: chemistry, construction, metallurgy, machine building, transportation, agriculture, and so forth.

For full consideration of all the progressive and effective achievements and possibilities of the scientific and technical revolution in the long-range plan, the USSR Academy of Sciences and the State Committee of the USSR Council of Ministers for Science and Technology, with the involvement of a broad group of scientific research organizations in the country, have elaborated a comprehensive program of scientific and technical progress as well as its socioeconomic consequences for 1976-1990.

The USSR Gosplan has carried out a thorough analysis of economic development over the 15 years preceding the new plan period, and of the course of fulfilling the quotas of the Ninth Five-Year Plan. The preliminary proposals of the USSR ministries and departments, the Union republics and the scientific organizations for the long-range plan have been reviewed, and the means and methods have been discussed and concretized for solving the forthcoming tasks. The parameters have been tentatively set for the national economic development of the country in the 1976-1990 period as well for the 10th Five-Year Plan.

Thus, during the past period the planning and scientific organizations of the nation have acquired significant experience, and they possess a broad range of scientific materials on the social, economic and scientific-technical problems which the national economy must solve in 1976-1990. At the same time the attention of the planning bodies is focused on the 10th Five-Year Plan, as the first and most important stage of the entire forthcoming planning period.

In concretizing and establishing the ways and means for solving socioeconomic problems over the long run, the planning bodies have a great responsibility to meet to the party and to the nation. And they must meet this responsibility with honor.

The tasks posed in the Party Program and in the decisions of the 24th Congress in the area of the socioeconomic development of the nation require the providing of high and stable growth rates for national income, and this should be achieved primarily due to intensive factors and above all from labor productivity and a rise in the efficiency of all social

production. Such a necessity is dictated by the ever greater limitation of the extensive economic growth factors and particularly by the substantial complicating of the demographic situation in the 1980's.

One of the main ways for raising the effectiveness of social production as well as for overcoming the unfavorable demographic consequences of World War II is to accelerate scientific and technical progress. The realization of the potentials of science and technology will make it possible to achieve high economic development rates in the country, to accelerate the growth of labor productivity, and to solve new major tasks in the area of raising the prosperity of the people and in creating the material and technical basis of communism.

For achieving the efficiency levels and the economic development rates stemming from the comprehensive program, in the process of further work on the materials of the 10th Five-Year Plan and the long-range plan, the attention of the planning and economic bodies should be focused on determining the maximum possible but realistic scale of realizing the results of the scientific and technical revolution and on working out a system of organizational, production and economic measures making it possible to quickly and effectively introduce scientific and technical achievements into all sectors and spheres of the national economy.

A most important direction for raising the effectiveness of social production in the long run being planned remains the greatest possible savings of live labor. With the achieved level of mechanization and automation, its share is still significant in the production expenditures. Of particular importance is the question of preparing comprehensive measures for and the consistent elimination of manual labor in all sectors of the national economy and in all stages of production. This is a major national economic task the solving of which will provide a high economic effect. The problem also has a social aspect. The extensive creation of the material and technical basis of communism, and the indoctrination of a communist attitude toward labor demand that labor becomes more and more highly mechanized, attractive, and creative.

Those ministries and departments are acting correctly in planning to provide a substantial rise in the level of production mechanization and automation in the immediate future. Many national economic and industrial sectors are planning to obtain the entire long-range increase in production solely from a rise in labor productivity, and in a number of instances even with a certain decline in the total number of employees. Thus, a significant rise in the production volume will be accompanied simultaneously by the release of labor resources in agriculture, railway transport, machine building, ferrous metallurgy and many other industrial sectors. Here a comprehensive approach is being provided to the mechanization of labor and the automation of production. In particular, in the coal industry for underground mining, there are plans to create standardized systems of equipment complexes for clearing, cutting, and transport jobs and for air conditioning the mine's atmosphere. Here, along with the

basic mining processes, comprehensive mechanization of the auxiliary jobs will be continued. This will make it possible to turn the mines into fully mechanized and to a significant degree automated enterprises with safe, comfortable working conditions and a labor productivity level which exceeds the achieved by at least 200 percent.

In a number of other industrial sectors, as before, chief attention is being paid to the technical improvement of basic production. At the same time, many types of auxiliary processes and jobs remain beyond the long-range plans of full mechanization and automation. For example, this applies to the questions of mechanizing freight handling, transport, warehouse, repair and other jobs. Such production areas even now are "bottlenecks" which impede the growth of labor productivity, as well as the intensiveness of using the basic production equipment at each enterprise. The future scale of production and the intensification of the processes of part, unit and production specialization will cause the accelerated growth of the designated types of work.

In order during the 10th Five-Year Plan to make a major step ahead in the area of mechanizing freight handling, transport and warehousing processes, it is essential to focus additional attention not only on the head organizations and ministries but also on all interested ones. Only under this condition will it be possible to solve the problem rapidly. The carrying out of the task of the consistent elimination of manual labor and a rise in the production automation level should be linked with the preparation and transition of production from discrete production processes to continuous ones, that is, machine building more and more will move from the production of single types of equipment and automated lines used in individual operations or a part of the production processes to the production of complexes and systems of machines which provide for the mechanization and automation of the entire production process as a whole. Here there is a serious lag, and above all in the work of the scientific and design organizations. Systems of machines have been worked out which are scientifically proven and now being produced by industry only for a limited number of sectors such as agriculture and in part forestry, road construction, and power engineering. In the other sectors, with rare exceptions such integrated systems as yet have not been created. In considering the importance of solving this problem over the long run, each sector, together with the corresponding machine building ministries, should work through the designated questions. Here it would be advisable to use the organizational and other acquired experience of the ministries of agriculture, and automotive-tractor and farm machine building in the area of creating and introducing systems of machines for the full mechanization of agricultural production.

Major reserves for raising production efficiency in the period of its long-range development are also to be found in such a fundamental technical development as a further rise in the unit capacity of machinery, devices and other types of equipment. This direction of scientific and technical progress, along with saving live labor, provides a substantial reduction

in the material and capital intensiveness of the product. Suffice it to say that in the chemical industry sectors alone, an increase in the unit capacity of the basic production equipment by 200-300 and more percent (and this is technically possible) involves a reduction of 20-50 percent in the capital intensiveness of the product, it reduces the built-up area by 100-200 percent, and reduces the number of employees by 100-200 percent. The total real economic effect from introducing equipment with high unit capacity will depend in each sector upon the scale of its distribution and the share of product produced by such units. Consequently, it is a question of again and again weighing the possibilities for accelerating the designing and creation of equipment with the maximum economically effective unit capacities, as well as of working out the necessary production and organizational measures for the technical reequipping of production on this basis.

Over the long run, the problem of reducing the material intensiveness of social production will assume greater significance. Even now in our nation the total weight of the natural resources involved in material production is more than 5 billion tons. This process is accelerating. Over the last decade alone (1963-1972), more than one-half of all the oil and around one-half of the coal and iron ore were produced out of the total output during all the years of the Soviet state.

Over the long run, along with a further expansion of raw material extraction, considering the enormous capital and labor intensiveness of the extracting sectors, the necessity of fundamentally altering the attitude toward the questions of its utilization will become more and more acute. The fuller extraction of the minerals from the ground and from the ore, their comprehensive and thorough processing and economic use should become the determining directions of our economic policy in this area. The possibilities for raising production efficiency on the designated basis are still far from exhausted. Here it is essential to provide more profound intersectorial ties, to further work out the questions of integrated technology and the creation of combined production, as well as to determine the other specific ways and means for solving this major national economic problem.

The ministries and departments are obliged to substantially intensify work in the area of the broader realization of fundamentally new technical solutions. The developing scientific and technical revolution has already created and is continuing to create ever newer potentials for fundamentally transforming modern production technology. Along with improving the implements of labor, highly effective materials and possibilities for creating materials with preset properties have appeared.

The 24th CPSU Congress posed the task of providing a transition from individual achievements to a high technical level of all production. During this time a great deal has already been done. For further raising the technical level of production, there must be an even bolder approach to the broad and complete use of new principles and methods which are being

created by Soviet and world science. Here, of course, there can be no hurry, but also slowness and waiting until these questions are fully solved are equally dangerous. In the preliminary proposals of the USSR ministries and departments and in the comprehensive program for scientific and technical progress, the production and introduction of fundamentally new technology is mentioned either too generally or too timidly. For many types of it, they have not even tentatively set the dates for completing scientific and technical development, the possible spheres and areas of application, or the sequence and stages in the transition from the traditional production methods to the new ones. Moreover, the proposals of the ministries mention only in passing the new technology when it has already been tested out in practice for more than a year and has proven effective. For example, this is true of capsule pipeline transport for loose, solid and other freight, air cushion transport, and so forth.

The problem of consistently increasing the output and introducing new methods and means of production requires closest attention and effective control over this process on the statewide level. The task of the departments of the USSR Gosplan and the ministries is to take these questions under supervision, to strengthen contacts with the scientific and design organizations, and to provide a high organizational level for conducting this work.

In the long-range planning period, the 10th Five-Year Plan holds a special place. During the first five-year plan of the long-range period, it is essential to create all the conditions for the successful solution to the new major tasks in building the material and technical basis of communism. Thus, the 10th Five-Year Plan acts as a decisive link when the "bottlenecks" and unfavorable trends noted in the nation's economy during preceding years should be completely overcome, and a sound basis created for successfully carrying out the long-term socioeconomic policy of the CPSU and the Soviet state.

Proceeding from this, in the process of preparing the proposals and elaborating measures for the draft 1976-1980 plan, the attention of the USSR ministries and departments, the Union republics and the departments of the USSR Gosplan must be focused on a number of important directions which provide high rates for raising effectiveness in a short period of time and with minimal capital investments.

In preparing the draft plan for 1976-1980, it is essential first of all to fully disclose and consider all the reserves related to improving production organization on a scientific basis and in accord with the requirements of technical progress. Here broad opportunities have been opened up in line with the creation and development of the production associations. In February of the current year, PRAVDA published an article entitled "How a Plant Was 'Saved,'"¹ in which there was a detailed description of how the Zaporozhtransformator [Zaporozh'ye Transformer] Association, as a result of the centralization and concentration

1. PRAVDA, 23 February 1974.

of the manufacture of parts and assemblies previously produced at each of the enterprises comprising the association, through the centralization of the management services, and the optimum layout of the production process as a whole have been able to release more than 30,000 square meters of production area on which a "new enterprise" was organized with an annual production volume of more than 10 million rubles. The associations and enterprises of many sectors have analogous reserves.

Many ministries and departments in the process of working out the national economic plans, as a rule, basically prefer new construction and the expansion of operating enterprises. At the same time not enough consideration is given to the opportunities of increasing capacity at the existing enterprises by organizational and technical measures and technical reequipping. This is what the facts show. In 1971-1973, the actual increase in capacity due to the organizational and technical factors exceeded the increase provided by the annual plans by more than 400 percent for mineral fertilizers, 600 percent for combined feeds, 200 percent for soft roofing, and approximately 100 percent for motor vehicle tires, slate and vitamins. In 1972, in ferrous metallurgy, by carrying out organizational and technical measures, an increase in iron ore capacity of 8.5 million tons was obtained, approximately 3 million tons for sinter cake and pellets, and almost 134,000 tons of wire, although the plan did not envisage this increase.

The high effectiveness from increasing capacity at operating enterprises as well as the presence of highly skilled workers and specialists at them and the availability of services--all of this will strengthen the role of such an important national economic principle in the 10th Five-Year Plan as the technical reequipping and rise in the organizational level of the existing production potential.

In the reproduction policy of fixed capital as a whole it is essential to raise the effectiveness of other principles as well. In particular, the duration of building the projects and putting them into operation should be envisaged in the plan and strictly correspond to the standard times. In recent years, definite work has been done in this direction, particularly in the area of a substantial reduction in newly started construction projects. This line should be continued. A further concentration of capital investments, the more rapid development of the building organizations and construction industry, a high level of organization and discipline in construction production, the precise and uninterrupted material and technical supply for each project under construction, comprehensive delivery of equipment and a reduction in the proportional amount of work related to its installation at the site--these are the basic planning and organizational measures which will make it possible to achieve a comprehensive approach to solving this important national economic problem, and to increase the effectiveness of capital investments.

A reduction in the time required to reach full capacity for already completed production capacity should become an essential feature of the

10th Five-Year Plan. Here primary efforts must be focused on eliminating the chief factors which lengthen the period of reaching full capacity. This concerns the comprehensiveness of planning the completion of capacity for the entire chain of the production process, and not merely the chief unit, type of production or shop. There should be a solution to the problem of not only the complete delivery of equipment by the machine building enterprises, but also, where this is possible and advisable, its preliminary testing and working up under the plant conditions of the suppliers. Responsibility must also be strengthened for the chief enterprise manufacturing the units and the equipment, as well as the starting-up organizations for the complete and prompt planned completion of capacity at the enterprises under construction and reconstruction.

It would be advisable to establish an intrasectorial principle for the preferential allocation of capital investments to those operating enterprises and associations which maximally realize the internal reserves, successfully eliminate intrashift and entire-day equipment losses, and which have achieved high shift coefficients of the work.

Analysis of the proposals by the sectorial ministries and Union republics for the basic directions during the 10th Five-Year Plan and the long run indicates that the designated national economic principles as yet have not been fully considered by them. It is essential that the ministries and the councils of ministers of the Union republics continue the work and fully observe the above-indicated demands and principles in capital investment planning, in organizing capital construction and in reaching full production capacity. This is also important for providing the designated measures with material and financial resources which should be envisaged in the 10th Five-Year Plan.

As is known, improving product quality, that is, raising the technical level, reliability, durability and productivity, is an important direction for raising efficiency. Precisely these indicators determine throughout the world the technical level and efficiency of production, and the degree of realizing the advanced achievements of scientific and technical progress.

All the ministries over the long run and during the 10th Five-Year Plan envisage a further significant improvement in the quality and growth of the technical level of the products, including: metals, fuel, chemicals, machinery, equipment, units, instruments, and so forth. The assortment of consumer goods will be broadened, and their consumer properties to a greater and greater degree will correspond to the growing need of the purchasers.

Under present conditions the problem of product quality requires a comprehensive approach and resolution. A rise in the quality of the raw products and materials, high production discipline and manufacturing accuracy, a deepening of specialization, the growth of worker skills, an improvement in planning, a bettering of standardization and unification of the products, and the wide and effective use of economic levers--all of this should be aimed at solving the problem of quality. The numerous

facets of the quality problem causes greater reciprocal demands in the related sectors. The intersectorial requirements have been formulated in the materials of the ministries and departments. They should become a subject of interdepartmental discussion and review in the departments of the USSR Gosplan for the purpose of determining the specific ways for the mutual satisfaction of the demands, to develop the corresponding scientific research and design work, and to prepare the other necessary comprehensive measures.

Particular attention must be paid to achieving a rise in consumer goods quality. Even now a great deal has been done in this direction in the light and food industries. Commodity assortment is being broadened, the commodity structure is changing toward better quality and more valuable products, the styles of clothing and footwear are being changed more rapidly, their aesthetic qualities such as finishing, dyeing, the quality of sewing and so forth have been improved. However, the overall growth of the quality of consumer goods is still slow. Suffice it to say that in the sectors of the light and food industries, the share of the product produced with the Quality Emblem is still the lowest of all the other sectors. Considering this, the given sectors should have a more considerate attitude toward the questions of improving product quality in preparing the planned measures for the 10th Five-Year Plan and long-range plan. It is essential to analyze all the internal reserves for raising the quality of consumer goods, including the questions of providing the highest production discipline, modeling, and so forth.

A solution to the designated problem in the 10th Five-Year Plan and over the long run to 1990 to an enormous degree will be determined by the level of technology and by the quality of the initial raw products and materials. For this reason it is essential to have the machine building sectors for the light and food industries as well as the chemical industry pay more attention to the tasks of improving the quality of consumer goods.

Agriculture will remain the basic supplier of raw materials for the light and food industry sectors, and to a crucial degree, the production levels and the quality of the products of these sectors will depend upon agriculture. It must be stressed that the quality of certain important types of agricultural products and raw materials in recent years has declined. The overcoming of this trend requires a strengthening of plant and animal breeding, an improvement in production methods, a rise in the level of organizational work for the receiving of agricultural products and raw materials, a systematization and strengthening of the effect of economic factors by, for example, setting prices for the products depending upon the content of useful substances in them, and other measures. To a significant degree the necessary conditions have already been created for solving these important tasks. The party's policy of the greatest possible strengthening of the material and technical base of agriculture presupposes simultaneously a substantial rise in its effectiveness, including an improvement in product quality.

At present, the problem of minimizing losses and maintaining the useful properties in the agricultural raw materials and products in the process of their storage and processing has assumed exceptionally important significance, not only economic but also moral and indoctrinational. The sectors of the processing industry together with the machine builders should provide a level of equipment technology and productivity which will make it possible to maximally solve the problem. In this regard, it would be advisable to study the question of creating a certain minimum of capacity reserves in the food industry for the prompt and complete processing of farm products during the best harvest years, when, for example, the grain harvests surpass the annual average ones by 11-16 percent.

The other sectors must also pay more attention to the problem of eliminating losses. The minimizing of the losses of cement, glass, the associated gas burned in the stacks, the use of scrap wood, the reutilization of heat and many other types of material resources should become a matter of particular concern for all the planning and economic bodies involved in the development prospects of the nation, since here there are major reserves for raising the economic efficiency of social production.

At present lower scientific research is being carried out on a number of newly established problems, and there is a more profound elaboration of individual subjects being carried out in accord with the scientific research plan. In the process of conducting the designated research, the scientific research organizations must pay particular attention to a further study and establishing of possibilities for accelerating scientific and technical progress, and provide a concretization of the dates for the possible acceleration and completion of scientific research and design studies, as well as the introduction of scientific and technical achievements into the national economy making it possible to raise the efficiency of social production on the basis of the growth of its technical level. At present this is the main task.

The long-range plan is an economic program and strategy of the party for the next 15 years. The Communist Party in our nation and its people have placed enormous responsibility on the planning bodies for preparing the designated document. The scale and complexity of the social, economic, scientific-technical and foreign policy tasks which should be solved in the planned period determine the new, higher demands upon the questions of elaborating the long-range plan. Simultaneously it should become a qualitatively new stage in the development of planning in our country, and in improving the entire system of national economic management. In this regard, a profound and scientific soundness of the long-range plan is important.

High economic effectiveness from all the measures and quotas of the plan is the most important criterion for its profound scientific soundness. The effectiveness of the planning decisions is a measure of the intensification of social production, of the progressiveness of the economic proportions and structure, of the level for realizing the achievements of the

scientific and technical revolution. It is a guarantee for successfully solving diverse socioeconomic problems, and a guarantee for high reliability, balance and feasibility for the most important indicators of the plan and its quotas. Only by an all-round rise in the effectiveness of social production on the basis of an acceleration of scientific and technical progress and a high level of production management, planning and organization will it be possible to provide the development rate needed by the national economy, and create the means and resources sufficient to simultaneously provide a significant rise in the prosperity of the people, the rapid development of the national economy and defense capability, as well as to take a new major step in the competition with capitalism, and in creating the material and technical basis of communism.

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III. 9 Sep 74

USSR NATIONAL AFFAIRS

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ECONOMIC DEVELOPMENTS

REPORT ON MASTERPLAN FOR 10TH 5-YEAR-PLAN

Moscow TASS in English 1915 GMT 6 Sep 74 L

[Text] Moscow September 6 TASS--TASS observer Ivan Antyomov writes:

A further substantial boost to the people's welfare is the prime target of the long-term economic development plan for the years 1976-1990 being drawn up in the USSR, simultaneously with the next five-year plan (the five-year period which will be completed next year is the ninth in the history of Soviet economic planning).

The country's planning bodies have harnessed hundreds of research and design centres and many other organisations to the task of developing the long-term perspective. As Leonid Brezhnev stressed in his election speech last June, the solution of the problems which will be set by the long-term plan will go a long way towards creating the material and technical basis of communism and raising the people's living standards to a qualitatively new level.

It is a feature of the master-plan fragments so far published that each deals with a major economic complex. These complexes are already being created or are on the drawing boards.

Among the complexes slated for further growth is the power complex in western Siberia which will produce 115 million tons of oil this year and 145 million tons next year. A new Siberian school of gas and oil deposits exploitation in adverse conditions of swampy taiga terrain has been developed there.

Another item in the long-term plan envisages setting up the Sayany territorial production complex in the south of the Krasnoyarsk territory. It is already being built, with the construction underway of the world's most powerful hydraulic electric station and a major railway car factory and construction started of several electric engineering plants and light industries. The complex will comprise also a large aluminium and non-ferrous metallurgy plants, 120 major enterprises in all.

The plan is likely to reflect much of the construction connected with the building of the Baykal-Amur railway line. From the upper Lena river to Lake Baykal and the Pacific the railway will cross areas with unique deposits of iron ores and nonferrous ores, coking coals and vast timber resources.

Among the spearhead projects likely to change the face of the country to a great degree is the program of agricultural development of the non-Chernozem Zone of the Russian Federation with a population of 60 million.

Within the next fifteen years the country will achieve an abundance of high-quality food products, consumer goods, and make advances in the services backed up by a corresponding growth in the population's real incomes.

Most of the country's cities and villages are to be reconstructed and specialists have already developed long-term development master-plans for hundreds of cities. All rural areas are being built up with modern collective and state farm settlements according to plans. Finally, the task of providing each family with a comfortable flat will be tackled.

III. 9 Sep 74

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USSR NATIONAL AFFAIRS
POLITICAL & SOCIAL DEVELOPMENT

In the port of Novorossiysk Comrade Brezhnev visited the Krasnyy Krym, battleship of the Red Banner Black Sea Fleet which had sailed in for the festivities, toured the ship and talked to the crew.

Today the Novorossiysk Gorkom and the gorispolkhoz held a reception on the occasion of the Hero City of Novorossiysk being presented with the Order of Lenin and the Gold Star Medal. The reception was attended by Comrade Brezhnev, general secretary of the CPSU Central Committee, the leaders of party and soviet organizations in the Krasnodar Kray and the city of Novorossiysk, war veterans who had taken part in the battle for the Caucasus, delegations from the hero cities of neighboring republics, krays and oblasts, front-ranking industrial and agricultural workers of the Kray.

Departure For Moscow

Moscow Domestic Service in Russian 1030 GMT 8 Sep 74 L

[Text] This morning, talks were held between Leonid Ilich Brezhnev and head of the Novorossiysk Mercantile Fleet Pechernikov. He told the general secretary of the CPSU Central Committee about the work of the oil tanker fleet of this large mercantile line and about prospects for its development. The talks were attended by First Secretary of Krasnodar Party Kraykom Medunov, First Secretary of the Novorossiysk Party Gorkom Polyakov and assistant to the general secretary of the CPSU Central Committee Golikov. Then Comrade Brezhnev made a tour of Novorossiysk and inspected new building sites of the hero city. He also visited the enterprise producing soft drinks, built with the aid of the American firm Pepsi-Cola. He acquainted himself with modern equipment and technological processes of production and talked to workers and specialists.

Today, Leonid Ilich Brezhnev left Novorossiysk for Moscow. Departing with him were assistants to the general secretary of the CPSU Central Committee Aleksandrov and Golikov.

At the airport, Comrade Brezhnev was seen off by First Secretary of the Krasnodar Party Kraykom Medunov, assistant to the general secretary of the CPSU Central Committee Tsukanov, Chairman of the Krasnodar Kray Executive Council Razuvovskiy, First Secretary of the Novorossiysk Party Gorkom Polyakov and delegates of hero cities, neighboring republics, krays and oblasts which participated in the events, veterans of the 15th Army, participants in the battles for the Caucasus and representatives of the public.

At the Novorossiysk airport of Anapa, where Comrade Brezhnev made a short stop, the general secretary of the CPSU Central Committee was warmly seen off by tens of thousands of working people of these towns and holidaymakers at the Black Sea spas.

Moscow Arrival

Moscow Domestic Service in Russian 1230 GMT 8 Sep 74 L

[Text] General Secretary of the CPSU Central Committee Comrade Brezhnev today returned to Moscow from the Hero City of Novorossiysk. At Vnukovo Airport, Leonid Ilich Brezhnev was met by Comrades Urishin, Gromyko, Kosygin, Kulakov, Mazurev, Polyanskiy, Suslov, Shelepin, Demichev, Solomentsov, Dolgikh, Yapitonov and Yatushev.

Also among those meeting him were members of the CPSU Central Committee Rusakov, Chernenko, Senchulokov; Candidate Member of the CPSU Central Committee Lavigan; First Deputy Minister of Civilian Aviation Katrich; First Deputy Administrator of the Administration of Affairs of the CPSU Central Committee Kuvshinov; and others. Returning with Comrade Brezhnev were assistants of the general secretary of the CPSU Central Committee Aleksandrov and Golikov.